

FISCAL NOTE

HB 837 - SB 1706

April 11, 2005

SUMMARY OF BILL: Requires health benefit plans to provide coverage for all routine patient care costs related to a clinical trial to enrollees diagnosed with cancer who are accepted into a phase I, II, III, or IV clinical trial for which the patient's doctor has determined could have a meaningful potential benefit to the enrollee. A plan may restrict coverage to participating hospitals and physicians unless the protocol for the clinical trial is not provided for at a state hospital or by a state physician.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$36,000/TennCare
Exceeds \$100,000/State Health Plans

Increase Local Govt. Expenditures – Exceeds \$100,000*

Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$64,000

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation could result in a significant increase on the cost of health insurance premiums exceeding \$100,000 for plans that do not currently offer clinical trial benefit payments.

Assumptions:

- TennCare MCOs would be required to cover certain routine services and pay out of network providers at a higher network rate.
- The State, Local Education and Local Govt. Plans do not currently provide coverage to individuals in such instances. There will be an increase in the benefit payments estimated to exceed \$100,000.
- The Local Govt. Plans involve contributions by employees and their employers.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director